



Auditor of Public Accounts
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Edelen Releases Audit of Christian County Fiscal Court

FRANKFORT, Ky. – State Auditor Adam Edelen has released the audit of the financial statements of the Christian County Fiscal Court for the fiscal year ended June 30, 2012. State law requires annual audits of county fiscal courts.

The audit found that the county's financial statements, in all material respects, fairly present the county's assets, liabilities, and net assets arising from cash transactions and revenues received and expenditures paid in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comments:

Christian County Detention Center has lack of segregation of duties over the jail inmate account. The Christian County Detention Center has a lack of adequate segregation of duties over the jail inmate account accounting functions. The bookkeeper for the jail inmate account posts to the receipts and disbursements ledgers, prepares checks, reconciles the bank statements, and prepares monthly collection and disbursements reports. The Jailer or another individual did not document oversight of any of these activities.

Lack of oversight could result in misappropriation of assets and/or inaccurate financial reporting which could occur but go undetected.

The Jailer should offset the lack of adequate segregation of duties by implementing compensating controls such as reviewing the bank reconciliations, comparing the monthly reports to the receipts and disbursements ledgers for accuracy, and requiring dual signatures on checks. Initialing and dating the bank reconciliations, receipts and disbursements ledgers, and reports can document this review.

Jailer's response: Controls will be implemented.

The Fiscal Court is required to pay for purchases within thirty working days. During our testing, we noted that there were invoices for purchases that were not paid within 30 days. KRS 65.140 states, "...all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor's subcontractor." We recommend the fiscal court comply with KRS 65.140 by paying all invoices for goods or services in full within thirty (30) working days of receipt of a vendor's invoice.

County Judge/Executive's response: County Government will make every effort to comply with KRS 65.140 in the future.

The audit report can be found on the [auditor's website](#).

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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